buyers the opportunity to bid on available supply or in some instances sales to the NOC's. In most instances, these tenders take the form of fax bid offerings to approved customers. Otherwise, the bid process is conducted via the phone. The system, as it currently exists,

5  often causes various problems which range from simple communication problems to more serious situations. In particular, the lack of the standardized and thorough distribution of information along with the possible exclusion or marginalization of potential bidders makes the current bidding process less than optimal. The above example can also be implemented for other complex commodities.

10  Automated system and method according to the present invention for the exchange of the complex commodities are currently not available. The current Internet based sites are, at best, bulletin boards posting information, but do not allow for the online automated auctions and tenders to take into account the multiple characteristics of the complex commodities.

15  SUMMARY OF THE INVENTION

The present invention addresses the need for the automated method and system for the auction and tender of complex multi-variable commodities, e.g., in the field of petroleum products.

20  The present invention includes such system and method. In particular, a central clearinghouse host site is provided where each of the individual auctions or tenders are conducted. Buyers and sellers may access the site via the respective user connection devices across the respective connection arrangements such as the Internet, direct satellite link, etc.

The exception handling may be accomplished by, e.g., maintaining a baseline tender as posted by the tenderer. The initial conditions and terms with the posted tender remain as the baseline. The participants in the tender can request the exceptions from the tenderer. If the tenderer agrees, the accepted exceptions are added to the tender and are provided in addition

5    to the baseline. For example, in a tender for fuel oil number 6, the posted tender may specify a viscosity of 350 SSF. This becomes the baseline viscosity for the tender. Then, the tender recipient may request an exception which requires a viscosity of 300 SSF. If the exception is accepted, it is maintained as an additional item for the tender. When the tender recipient bids on the tender, they enter the "per barrel" price that they are willing to pay for the product with

10    a viscosity of 350 SSF. The winning bidder has the option to take delivery of such fuel oil. However, the accepted exception for a viscosity of 300 SSF may exist for an additional cost of $0.10/barrel. Therefore, the winner could also take delivery of fuel oil number 6 with the viscosity of 300 SSF for $0.10 per barrel above their winning bid. This exception handling feature of the system according to the present invention allows each user to request the

15    exceptions that may be important to them while the tenderer is not required to accept any exceptions, and may do so for an additional fee if they are able to comply.


BRIEF DESCRIPTION OF THE DRAWINGS

Figure 1 shows a diagram of an exemplary embodiment of a networked system connecting a

20    plurality of users in order to conduct the automated auction and tender of complex multi-variable commodities according to the present invention.


Figure 2 shows a flowchart of an exemplary embodiment of a process to access a system, and


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